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FM AMEMBASSY MANAGUA
TO RUEHC/SECSTATE WASHDC 0034
INFO WHA CENTRAL AMERICAN COLLECTIVE
RUCPDO/DEPT OF COMMERCE WASHINGTON DC

UNCLAS MANAGUA 001064

SENSITIVE
SIPDIS
STATE FOR WHA/CEN, EEB/IFD/OIA, AND L/CID
STATE ALSO FOR WHA/EPSC
STATE PASS TO USTR
TREASURY FOR INL AND OWH

E.O. 12958: N/A
TAGS: [EINV](#) [ECON](#) [KIDE](#) [NU](#)
SUBJECT: NICARAGUA: PROPERTY SUPERINTENDANT AIMS TO TAKE OVER U.S.
CITIZEN BEACHFRONT PROPERTY

REF: MANAGUA 235

SUMMARY

1. (SBU) The Office of the Property Superintendant has issued agrarian reform titles for beachfront property owned by U.S. citizen Miguel Angel Arguello and intends to take over more of his land. Sandinista National Liberation Front (FSLN) supporters with agrarian reform titles have invaded his property and have refused to leave it. The Attorney General's Office has not taken any action to protect Mr. Arguello's property.

GENESIS OF DISPUTE

2. (SBU) In December 1993, the father of U.S. citizen Miguel Angel Arguello purchased 1,754 acres of beachfront property in Tola municipality (Department of Rivas), southern Nicaragua. In May 1997, Mr. Arguello purchased the property from his father. In August 1999, Mr. Arguello registered an additional 122 acres of beachfront property after he conducted a survey to correct the size of his property. In May 2000, the Attorney General's Office filed a lawsuit in court to nullify the registration of the 122 acres in the Public Property Registry. The Attorney General's Office alleged that the land was state property and Mr. Arguello had acquired it illegally. In September 2004, the Rivas District Court ruled in favor of Mr. Arguello. The Attorney General's Office subsequently appealed the verdict but the Rivas Appellate Court upheld the lower court's decision in April 2005.

3. (SBU) In February 2007, the Government of Nicaragua (GON) validated a 1988 agrarian reform title for the 122 acre property belonging to Mr. Arguello, despite the fact that previous governments had determined that this title was counterfeit. In November 2007, the Attorney General's Office employed a regulation dating back to 1904 to register his land as state-owned property. In late December 2008, approximately 25 FSLN supporters with agrarian reform titles issued by Property Superintendant Yara Perez invaded the 122 acre beachfront property (reftel). The squatters have built four shacks on his property. Mr. Arguello initially requested assistance from Tola municipal officials and the Nicaraguan National Police to remove the squatters, but they refused to get involved.

CLAIMANT SEEKS AMICABLE RESOLUTION

4. (SBU) On January 23, Mr. Arguello asked for Embassy assistance to request a meeting with Attorney General Hernan Estrada to discuss the case. On January 27, his legal representative met with Rebeca Zuniga, Coordinator of the Office of U.S. Citizen Claims. Zuniga told him that Attorney General Estrada would handle his

case. During the February and March 2009 property working group meetings, GON officials assured Econoff that Attorney General Estrada was handling the case. On March 31, the Ambassador wrote Attorney General Estrada to urge him to review Mr. Arguello's case.

PROBLEM EXASPERBATES

15. (SBU) On October 9, Mr. Arguello told us that the Attorney General's Office has not taken any action to resolve this dispute. Mr. Arguello said that Attorney General Estrada and Property Superintendant Perez have refused to meet with him to discuss the dispute. He noted that the Property Superintendant's Office plans to issue more agrarian reform titles to FSLN supporters to take over an additional 685 acres. The squatters also remain on his property and there are approximately 350 persons in nearby settlements who threaten to invade it. Mr. Arguello fears that the GON is organizing FSLN supporters to take over his property.
CALLAHAN